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TO RUEHC/SECSTATE WASHDC PRIORITY 7297
INFO RUEHAAH/AMEMBASSY ASHGABAT 2636
RUEHTA/AMEMBASSY ASTANA 8731
RUEHEK/AMEMBASSY BISHKEK 3230
RUEHEG/AMEMBASSY CAIRO 0040
RUEHDBU/AMEMBASSY DUSHANBE 3103

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DEPT FOR SCA/CEN

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TAGS: ETRD PREL GPGOV EG UZ

SUBJECT: EGYPTIAN EXPORTERS PUSH UZBEKS; KARIMOV TO CAIRO
IN APRIL

Classified By: CLASSIFIED BY AMB. JON R. PURNELL FOR REASONS 1.4 (B, D)

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¶1. (C) Summary: To keep up with the Central Asian Jones', President Karimov is scheduled to visit Cairo in April. On February 19, an Egyptian trade delegation held its annual meeting with Uzbek counterparts. To the Egyptians' disappointment, the Uzbeks have yet to reduce import barriers for Egyptian goods. End summary.

¶2. (C) Egyptian DCM, Jailan Abbas, told poloff the Uzbeks initiated President Karimov's trip to Cairo, scheduled for April. In her opinion, Karimov's motivation for the visit is not to be outdone by his Central Asian rivals: the Kyrgyz president visited Cairo in October 2006, and the Kazakh president visited in March 2007.

¶3. (C) Abbas said that the February 19 visit of an Egyptian business delegation, led by the Minister of International Cooperation, was perfunctory and no meaningful agreements made. The Uzbek-Egyptian Intergovernmental Commission for Trade, Economic, Scientific and Technical Cooperation is scheduled to meet annually. However, the meeting in Tashkent was the first in three years. According to Abbas, the Uzbeks backed out of last year's planned meeting in Cairo.

¶4. (C) Currently, Uzbek-Egyptian trade takes the form of Egyptian exports to Uzbekistan, mostly unfinished textiles and agricultural products. Abbas said the Egyptians want to export basic consumer goods to Uzbekistan and compete with "inferior" Chinese products, but Uzbekistan's import substitution policies present a huge hurdle to foreign exporters. The Egyptians hope eventually to gain favorable access to the Uzbek market, but they remain pessimistic about the prospects of improved Uzbek economic policies.

PURNELL